

COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
SPECIAL MEETING
November 5, 2008

The Henrico County Board of Supervisors convened a Special Meeting on Wednesday, November 5, 2008 at 5:30 p.m. with key County officials and the County's General Assembly Delegation for a dinner briefing on the County's 2009 Legislative Program in the County Manager's Conference Room, Administration Building, Henrico County Government Center, Parham and Hungary Spring Roads, Henrico County, Virginia. The Chairman called the meeting to order at 5:44 p.m. Those present at the meeting were:

PRESENT

The Honorable David A. Kaechele, Chairman
The Honorable Patricia S. O'Bannon, Vice-Chairman
The Honorable James B. Donati Jr., Varina District Supervisor
The Honorable Richard W. Glover, Brookland District Supervisor
The Honorable Frank J. Thornton, Fairfield District Supervisor
Mr. Virgil R. Hazelett, P.E., County Manager
The Honorable A. Donald McEachin, Senate of Virginia (arrived at 6:33 p.m.)
The Honorable Walter A. Stosch, Senate of Virginia (arrived at 5:50 p.m.)
The Honorable John C. Watkins, Senate of Virginia (departed at 6:20 p.m.)
The Honorable Riley E. Ingram, House of Delegates
The Honorable William R. Janis, House of Delegates
The Honorable John M. O'Bannon, III, House of Delegates
The Honorable James P. Massie, III, House of Delegates
The Honorable Jennifer L. McClellan, House of Delegates
The Honorable Joseph D. Morrissey, House of Delegates (departed at 6:20 p.m.)
Mr. George T. Drumwright, Jr., Deputy County Manager for Community Services
Ms. Angela N. Harper, FAICP, Deputy County Manager for Special Services
Mr. Leon T. Johnson, Deputy County Manager for Administration
Mr. Robert K. Pinkerton, P.E., Deputy County Manager for Community Operations
Mr. Randall R. Silber, Deputy County Manager for Community Development
Mr. Barry R. Lawrence, Assistant to the County Manager/Clerk to the Board
Mrs. Tanya B. Harding, Deputy Clerk to the Board
Mr. Joseph P. Rapisarda, Jr., County Attorney
Mrs. Tamra R. McKinney, Director of Public Relations & Media Services
Mr. Fred C. James, Media Specialist, Department of Public Relations & Media Services
Mr. C. Michael Schnurman, Jr., Legislative Liaison
Ms. Amy Saucier, Legislative Intern
Ms. Tsion Tefaye, Legislative Intern
Mr. John A. Vithoulkas, Director of Finance
Mr. Eugene H. Walter, Management & Budget Division Director
Mr. Edward W. Trice, Revenue Division Director
Mr. Kenneth L. Dunn, Assistant Chief of Administration, Fire Department
Mr. Ralph J. Emerson, Jr., Director of Planning

Lt. Col. Douglas A. Middleton, Deputy Chief of Police
Mr. Edward L. Priestas, Director of Public Works
Mr. E. Todd Eure, Transportation Development Engineer, Department of Public Works
Mr. Edward A. Mullen, Attorney at Law, Reed Smith LLP
Mr. Max Maizels, Citizen, Tuckahoe District
Ms. Melodie Martin, Staff Writer, *Richmond Times-Dispatch*

ABSENT

The Honorable Dwight C. Jones, House of Delegates
The Honorable Christopher K. Peace, House of Delegates

Mr. Kaechele asked the legislators, Board members, County staff, legislative interns, and others who were present to introduce themselves.

Mr. Hazelett offered brief opening remarks and noted that the County's 2009 Legislative Program would be shorter than those of previous years. He recognized Mr. Schnurman, who presented flowers to Delegate McClellan and congratulated her on her upcoming wedding scheduled for Saturday, November 15, 2008.

Mr. Hazelett introduced Win Goodier, the Culinary Arts Instructor at Hermitage Technical Center, who reviewed the dinner menu and pointed out that his students had provided breakfast, lunch, and dinner over a 12-hour period the previous day for the State Board of Elections. Mr. Goodier remarked that Hermitage's two-year culinary arts program draws a collective mix of students with a shared passion from all eight high public high schools in the County and receives 80 to 100 applications a year for only 20 spots. Seventy percent of the students who participate in the program attend a professional culinary school after graduating from high school.

Mr. Drumwright offered an invocation at Mr. Kaechele's request. Afterwards, Mr. Hazelett announced that Mr. Schnurman would begin his presentation during dinner and it would be followed by a presentation by Mr. Vithoukas.

2009 County Legislative Program

Mr. Hazelett recognized Mr. Schnurman, who provided a Power Point presentation on the proposed 2009 Legislative Program (see enclosed copy of slides and tri-fold brochure). After briefly explaining the Legislative Goals, Mr. Schnurman summarized the two legislative requests that were included in the draft document. He noted that after much discussion the Board had decided not to support the proposal for a Central Virginia Transportation Authority. At the conclusion of Mr. Schnurman's presentation, Mr. Vithoukas and Mr. Hazelett responded to a question from Del. Morrissey regarding the revenue impact of the County's recent address change from "Richmond" to "Henrico, VA." Del. Morrissey

asked that the legislative delegation receive future updates on this matter once empirical data becomes available.

Mr. Vithoulkas narrated a Power Point presentation addressing the misallocation of locally generated revenues by the Virginia Department of Taxation and the importance of State funding for Henrico County (see enclosed copy). He pointed out that the address change solution was an attempt to help fix a problem of tax revenues being misallocated to the wrong locality. During the first part of Mr. Vithoulkas's presentation, he, Mr. Trice, and Mr. Schnurman responded to questions from Del. Morrissey, Sen. Stosch, Del. O'Bannon, and Sen. Watkins concerning the Virginia Department of Taxation's miscoding of locally generated revenues, the lack of progress in resolving this issue, and the defeat of House Bill 2874, which was introduced during the 2007 session of the General Assembly to encourage businesses to utilize a "certified software" package in order to determine the locality to which the sales and use tax was due. Mr. Schnurman and Mr. Hazelett expanded on the logic behind the County's request to establish a joint subcommittee to study the Commonwealth's processes for identifying, collecting, and remitting funds to localities in an accurate and efficient method. Mr. Hazelett explained that the County had attempted to resolve the miscoding issue administratively with the Department of Taxation over the past 12 years but that a legislative review of the issue was now needed.

After Mr. Vithoulkas moved into the second part of his presentation on the importance of State funding for Henrico County, he and Mr. Hazelett responded to questions and comments from Sen. Stosch and Mr. Glover pertaining to the fiscal impact of housing State responsible inmates in local jails. Mr. Vithoulkas and Mr. Hazelett responded to questions and comments from Sen. McEachin and Del. McClellan relating to residential foreclosure trends in the County. Mr. Hazelett clarified that the majority of residential foreclosures in the County are owner occupied

homes and that many of these properties have an assessed value of \$1 million. Del. Ingram commented on the reasons for rising residential foreclosure rates across the nation. Mr. Vithoulkas responded to a question from Sen. McEachin regarding the impact on the local economy of layoffs at the Henrico Qimonda plant and questions from Del. Massie pertaining to current revenue trends in the County. Mr. Vithoulkas concluded his presentation by pointing out that the County is better positioned than most other localities to deal with current economic conditions and State budget revenue shortfalls.

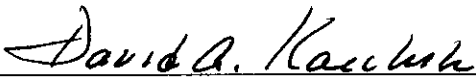
At the conclusion of his presentation and at the request of Del. Massie, Mr. Vithoulkas provided an update on the municipal bond market and the status of the County's bond refinancing plans. He noted that certain specifics of an upcoming sale could not be discussed publicly. Mr. Vithoulkas responded to comments from Sen. Stosch concerning projected State budget shortfalls in fiscal years 2009 and 2010. There was discussion by Mrs. O'Bannon, Sen. Stosch, Mr. Hazelett, Del. McClellan, and Mr. Vithoulkas relating to the process for identifying State mandated programs and determining where State budget reductions should be applied at the local level.

In response to a question from Del. Massie, Mr. Hazelett elaborated on the Board's reasons for not supporting legislation to establish the Central Virginia Transportation Authority. He advised that the Board feels it is the State's responsibility to fund road construction and maintenance and that the Board is not comfortable having additional taxes imposed on County citizens at this time. In response to a question from Del. Massie, Del. McClellan stated that she had heard other localities in the region also did not agree with the proposed authority or with how revenues generated by the authority would be used. Mr. Hazelett said the devil was in the details and although the County wished to cooperate there were questions about the authority that could not be answered affirmatively. Mr. Kaechele remarked that the authority proposal would be

discussed again by local government representatives at the November 10, 2009 meeting of Richmond Regional Planning District Commission.

Sen. McEachin commented favorably on the new Harvie Elementary School and new shopping mall in eastern Henrico, The Shops at White Oak Village. Mrs. O'Bannon noted that BJ's Wholesale Club would be opening a new store the following week behind Regency Mall. She thanked Mr. Vithoulkas and his staff for putting together a presentation at this meeting for the legislative delegation. Mr. Hazelett thanked the delegation and the Board for attending the meeting and also thanked Mr. Goodier and his students for preparing a wonderful meal. Mr. Goodier had the following students who were present introduce themselves and identify their home schools: Adam Feaster (Deep Run); Keyanna Benton, Alex Harbison, Gray Houghton, and B. J. Ropiecki (Freeman); Tim Brown (Highland Springs); and Robert Alexander and Josie Waters (Varina). Mr. Kaechele added his thanks to everyone who participated in the meeting.

There being no further business, the meeting was adjourned at 7:29 p.m.



Chairman, Henrico County Board of Supervisors